

Introduced by Committee on Transportation

Date:

Subject: Transportation; annual Transportation Program; Municipal Equipment
and Vehicle Loan Fund; Agency of Transportation; State highway
design standards; bonding; bridge inspections; Public Transit
Advisory Council; Green Mountain Transit Authority; public private
partnerships; Transportation Board; Transportation Alternatives Grant
Program; speed limits; Drive Electric Vermont; Caledonia County
State Airport

Statement of purpose of bill as introduced: This bill proposes to adopt the
State's annual Transportation Program and make miscellaneous changes to the
laws relating to transportation.

An act relating to the fiscal year 2027 Transportation Program and
miscellaneous changes to laws related to transportation

It is hereby enacted by the General Assembly of the State of Vermont:

* * * Transportation Program Adopted as Amended; Definitions * * *

Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2027
Transportation Program appended to the Agency of Transportation's proposed

1 fiscal year 2027 budget, as amended by this act, is adopted to the extent
2 federal, State, and local funds are available.

3 (b) Definitions. As used in this act, unless otherwise indicated:

4 (1) “Agency” means the Agency of Transportation.

5 (2) “Candidate project” means a project approved by the General
6 Assembly that is not anticipated to have significant expenditures for
7 preliminary engineering or right-of-way expenditures, or both, during the
8 budget year and funding for construction is not anticipated within a predictable
9 time frame.

10 (3) “Development and evaluation (D&E) project” means a project
11 approved by the General Assembly that is anticipated to have preliminary
12 engineering expenditures or right-of-way expenditures, or both, during the
13 budget year and that the Agency is committed to delivering to construction on
14 a timeline driven by priority and available funding.

15 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
16 supply equipment available to the public” have the same meanings as in
17 30 V.S.A. § 201.

18 (5) “Front-of-book project” means a project approved by the General
19 Assembly that is anticipated to have construction expenditures during the
20 budget year or the following three years, or both, with expected expenditures
21 shown over four years.

1 (6) “Plug-in electric vehicle (PEV),” “plug-in hybrid electric vehicle
2 (PHEV),” and “battery electric vehicle (BEV)” have the same meanings as in
3 23 V.S.A. § 4(85).

4 (7) “Secretary” means the Secretary of Transportation.

5 (8) “TIB funds” means monies deposited in the Transportation
6 Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

7 (9) The table heading “As Proposed” means the Proposed
8 Transportation Program referenced in subsection (a) of this section; the table
9 heading “As Amended” means the amendments as made by this act; the table
10 heading “Change” means the difference obtained by subtracting the “As
11 Proposed” figure from the “As Amended” figure; the terms “change” or
12 “changes” in the text refer to the project- and program-specific amendments,
13 the aggregate sum of which equals the net “Change” in the applicable table
14 heading; and “State” in any tables amending authorizations indicates that the
15 source of funds is State monies in the Transportation Fund, unless otherwise
16 specified.

17 * * * Repeal of Municipal Equipment and Vehicle Loan Fund Rules * * *

18 Sec. 2. RULES REGARDING MUNICIPAL HEAVY EQUIPMENT LOAN
19 FUND; REPEAL

20 The Rules Regarding Municipal Heavy Equipment Loan Fund (CVR 14-
21 053-002) are repealed. The Municipal Equipment and Vehicle Loan Fund, as

1 the successor to the Municipal Heavy Equipment Loan Fund, shall be
2 administered as provided pursuant to 29 V.S.A. § 1601.

3 * * * Statement of Policy; Highways and Bridges * * *

4 Sec. 3. 19 V.S.A. § 10c is amended to read:

5 § 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

6 * * *

7 (b) For projects that are not on the National Highway System, the Agency
8 shall ~~develop and implement~~ maintain State standards and guidance for
9 geometric design. ~~Design speeds may be lower than legal speeds. Design~~
10 ~~speeds lower than legal speeds may be used without the requirement of a~~
11 ~~formal design exception, provided appropriate warnings are posted if~~
12 appropriate warning signs, signals, and markings are used as provided pursuant
13 to 23 V.S.A. § 1025.

14 * * *

15 * * * Agency of Transportation Duties * * *

16 Sec. 4. 19 V.S.A. § 10 is amended to read:

17 § 10. DUTIES

18 The Agency shall, except where otherwise specifically provided by law:

19 * * *

20 (8)(A) Require any contractor or contractors employed in any project of
21 the Agency for construction of a transportation improvement to file in the

1 office of the Secretary a good and sufficient surety bond to the State of
2 Vermont, executed by a surety company authorized to transact business in this
3 State in ~~such~~ the sum as required by the Agency shall direct, conditioned for
4 the compliance by the contractor or contractors and their agents and servants,
5 with all matters and things set forth and specified to be by the principal kept,
6 done, and performed at the time and in the manner in the contract between the
7 Agency and the contractor or contractors specified and to pay over, make
8 good, and reimburse the State of Vermont for all loss or losses and damage or
9 damages that the State of Vermont may sustain by reason of failure or default
10 on the part of the contractor or contractors. The Agency is authorized to
11 require any other condition in the bond that may ~~from time to time~~ be
12 necessary. ~~The Secretary at his or her discretion as to,~~ as the Secretary
13 determines is in the best interest of the State, may accept other good and
14 sufficient surety in lieu of a bond and, in cases involving contracts for
15 ~~\$100,000.00~~ \$250,000.00 or less, may waive the requirement of a performance
16 bond.

17 (B) During an emergency event, the Secretary may, in the Secretary's
18 discretion, waive the bonding requirements of this subdivision (8) for
19 immediate, temporary stabilization work related to public safety or State
20 infrastructure. Permanent work shall be subject to the requirements of
21 subdivision (A) of this subdivision (8).

1 (9)(A) Require any contractor or contractors employed in any project of
2 the Agency for construction of a transportation improvement to file an
3 additional surety bond to the Secretary and the Secretary's successor in office,
4 for the benefit of labor, materialmen, and others, executed by a surety company
5 authorized to transact business in this State. The surety bond shall be in ~~such~~
6 the sum as required by the Agency shall direct, conditioned for the payment,
7 settlement, liquidation, and discharge of the claims of all creditors for
8 material; merchandise; labor; rent; hire of vehicles, power shovels, rollers,
9 concrete mixers, tools, and other appliances; professional services;
10 premiums; and other services used or employed in carrying out the terms of
11 the contract between the contractor and the State ~~and~~. The surety bond shall be
12 further conditioned for the following accruing during the term of performance
13 of the contract: the payment of taxes, both State and municipal, and the
14 payment of unemployment insurance contributions to the Vermont
15 Commissioner of Labor; ~~provided, however, in,~~

16 (B) In order to obtain the benefit of the security, the claimant shall
17 file with the Secretary a sworn statement of the claimant's claim, within 90
18 days after the final acceptance of the project by the State or within 90 days
19 from the time the taxes or unemployment contributions ~~to the Vermont~~
20 ~~Commissioner of Labor~~ are due and payable, and, within one year after the
21 filing of the claim, shall bring a petition in the Superior Court in the name of

1 the Secretary, with notice and summons to the principal, surety, and the
2 Secretary, to enforce the claim or intervene in a petition already filed. The
3 Secretary may, if the Secretary determines that it is in the best interests of the
4 State, accept other good and sufficient surety in lieu of a bond and, in cases
5 involving contracts for ~~\$100,000.00~~ \$250,000.00 or less, may waive the
6 requirement of a surety bond.

7 (C) During an emergency event, the Secretary may, in the Secretary's
8 discretion, waive the requirements of this subdivision (9) for immediate
9 emergency stabilization work related to public safety or State infrastructure.
10 Permanent work shall be subject to the requirements of subdivision (A) of this
11 subdivision (9).

12 * * *

13 * * * Bridge Inspections; Posting; Closure * * *

14 Sec. 5. 19 V.S.A. § 1514 is added to read:

15 § 1514. BRIDGE INSPECTION; POSTING; CLOSURE

16 (a) Definition. As used in this section, "bridge" means a structure to which
17 the National Bridge Inspection Standards apply pursuant to 23 C.F.R.
18 § 650.303.

19 (b) Bridge inspections. The Agency shall inspect bridges on State
20 highways and town highways in accordance with the requirements of the
21 National Bridge Inspection Standards.

1 (c) Municipally maintained bridges.

2 (1) For a bridge for which a municipality has maintenance
3 responsibility, the Agency shall advise the municipality of its inspection
4 findings and any noted deficiencies.

5 (2) The Agency shall notify a municipality if a bridge for which the
6 municipality has maintenance responsibility requires posting or closure and,
7 upon receiving notification, the municipality shall post or close the bridge, as
8 appropriate.

9 (3) If necessary to protect the public from an imminent hazard, the
10 Agency may post or close a bridge for which a municipality has maintenance
11 responsibility.

12 (4) A municipality shall be responsible for all costs and expenses related
13 to the posting or closure of a bridge for which it has maintenance
14 responsibilities, including the costs of any required notifications, procedures,
15 signage or traffic control devices, and barricades.

16 (d) Agency-maintained bridges.

17 (1) For any bridge for which the Agency has maintenance responsibility,
18 the Agency shall have the sole responsibility and authority to determine
19 whether the bridge shall be posted or closed, except that a municipality may
20 close an Agency-maintained bridge during an emergency.

(e) Enforcement and penalties. In addition to any other penalties provided by law, a person that violates a bridge posting or closure by a municipality or the Agency shall be subject to a civil penalty of not more than \$1,000.00.

§ 2302. TRAFFIC VIOLATION DEFINED

* * *

(13) a violation of 19 V.S.A. § 1514, relating to use of a bridge in violation of a posting or closure.

* * *

* * * Public Transit Advisory Council * * *

Sec. 7. 24 V.S.A. § 5084 is amended to read:

§ 5084. PUBLIC TRANSIT ADVISORY COUNCIL

(a) The Public Transit Advisory Council shall be created by the Secretary of Transportation under 19 V.S.A. § 7(f)(5), ~~to~~ and shall consist of the following members:

* * *

(8) a representative of ~~the Community of Vermont Elders~~ AARP Vermont;

(9) ~~a representative of private bus operators and taxi services;~~

[Repealed.]

(10) a representative of Vermont ~~intercity~~ private bus operators;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 8. 24 App. V.S.A. ch. 801, § 7 is amended to read:

§ 7. Annual budget and assessments

(a) On or before February 15 in each year, the Board of Commissioners shall prepare a budget for the Authority for the next fiscal year, which shall include an estimate of the revenue of the Authority from fares and other sources, except membership assessments, and the expenses for the next fiscal

1 year, including debt service, and at such time the Board of Commissioners
2 shall call a meeting of the residents of its members for the purpose of
3 presenting the proposed budget and inviting discussion thereon. The meeting
4 shall be held at a place within the County and shall be warned by a notice
5 published in a newspaper of general circulation in the County at least 15 days
6 prior to the meeting. The notice shall contain a copy of the proposed budget,
7 and members of the legislative body of each member municipality shall be
8 notified of the meeting by certified mail. The proposed budget may include, in
9 addition to revenues from fares and other sources, anticipated voluntary local
10 match contributions, grants, donations, and other nonassessment revenues that
11 may be offered by a member municipality or another public or private source.

12 * * *

13 (f)(1) The Authority shall be permitted to seek and accept voluntary local
14 match contributions.

15 (2) Notwithstanding the formula for apportionment, the Authority may
16 accept voluntary local match contributions from a member municipality or
17 another public or private source for the purposes of:

18 (A) meeting federal, State, or other grant matching requirements; and

19 (B) supporting Authority programs, capital projects, and operations.

20 (3) A voluntary local match contribution accepted pursuant to this
21 subsection shall be in addition to any assessment required pursuant to this

1 section and shall not reduce, offset, or otherwise modify the assessment
2 apportioned to any member municipality pursuant to the formula for
3 apportionment unless the formula is amended in accordance with the
4 provisions of this section.

5 * * * Public Private Partnership Sunset Extension * * *

6 Sec. 9. 2018 Acts and Resolves No. 158, Sec. 21 as amended by 2023 Acts
7 and Resolves No. 62, Sec. 41 is further amended to read:

8 Sec. 21. REPEAL OF TRANSPORTATION P3 AUTHORITY

9 19 V.S.A. chapter 26, subchapter 2 shall be repealed on July 1, ~~2026~~ 2029.

10 * * * Transportation Board * * *

11 Sec. 10. 19 V.S.A. § 5 is amended to read:

12 § 5. TRANSPORTATION BOARD; POWERS AND DUTIES

13 * * *

14 (d) Specific duties and responsibilities. The Board shall:

15 * * *

16 (7) provide appellate review, when requested in writing by an applicant
17 or permittee, of Agency decisions and rulings regarding private and
18 commercial access to State highway rights-of-way pursuant to the permit
19 process established in section 1111 of this title;

20 * * *

* * * Transportation Alternatives Grant Program * * *

Sec. 11. 19 V.S.A. § 38 is amended to read:

§ 38. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

(a), (b) [Repealed.]

(c) The Transportation Alternatives Grant Program is created. The Grant Program shall be administered by the Agency and shall be funded in the amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the Recreational Trails Program. Awards shall be made to eligible entities as defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall be limited to the activities authorized under federal law and shall not exceed ~~\$300,000.00~~ \$600,000.00 per grant allocation.

* * *

(f)(1) In fiscal year ~~2024~~ 2027 and thereafter, ~~50 percent of Grant Program funds, or such lesser sum if all eligible applications amount to less than 50 percent of Grant Program funds, shall be reserved for municipalities for environmental mitigation projects relating to stormwater and highways, including eligible salt and sand shed projects, and the balance of Grant Program funds shall be awarded for any eligible activity, including environmental mitigation projects relating to stormwater and highways, such as eligible salt and sand shed projects, and infrastructure-related projects and~~

1 systems that will provide safe routes for nondrivers, and in accordance with the
2 priorities established in subdivision (2) of this subsection.

3 * * *

4 Sec. 12. 2023 Acts and Resolves No. 62, Sec. 11 is amended to read:

5 Sec. 11. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

6 AWARDS IN STATE FISCAL YEARS 2024 TO 2027

7 Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant
8 Program awards in State fiscal years 2024 to ~~2027~~ 2026 shall not exceed
9 \$600,000.00 per grant allocation. Notwithstanding 19 V.S.A. § 38(c),
10 Transportation Alternatives Grant Program awards in State fiscal year 2027
11 shall not exceed \$1,200,000.00 per grant allocation.

12 * * * Consultation Regarding Municipal Programs * * *

13 Sec. 13. MUNICIPAL TRANSPORTATION PROGRAMS; ONGOING

14 EVALUATION; IDENTIFICATION OF IMPROVEMENTS

15 (a) In addition to ongoing work pursuant to 2025 Acts and Resolves No.
16 43, Sec. 15, the Agency of Transportation, in consultation with the Vermont
17 League of Cities and Towns and the Vermont Association of Planning and
18 Development Agencies, shall:

19 (1) continue examining the requirements of 19 V.S.A. § 309c,
20 cancellation of locally managed projects, as set forth in 2024 Acts and
21 Resolves No. 43, Sec. 14, to evaluate the obligations, risks, and benefits

1 imposed by the provisions of that section on the State and the local sponsor of
2 a locally managed project and to identify potential changes to the provisions of
3 that section to ensure that State and federal transportation funding resources
4 are appropriately administered;

5 (2) continue evaluating the State’s Town Highway Aid and municipal
6 grant programs administered by the Agency, as set forth in 2024 Acts and
7 Resolves No. 43, Sec. 16, to identify potential efficiencies and improvements
8 related to the administration of Town Highway Aid and municipal grant
9 programs; and

10 (3)(A) examine the provisions in the Vermont statutes related to the
11 procedures for establishing speed limits; and

12 (B) identify potential opportunities to simplify and clarify those
13 provisions to assist municipalities in meeting local needs, including safety and
14 context sensitivity.

15 (b) The Agency shall, on or before January 15, 2027, submit to the House
16 and Senate Committees on Transportation any recommendations for legislative
17 action.

18 * * * PILOT Special Fund * * *

19 Sec. 14. 32 V.S.A. § 3709 is amended to read:

20 § 3709. PILOT SPECIAL FUND

1 (a) There is hereby established a PILOT Special Fund consisting of local
2 option tax revenues paid to the State Treasurer pursuant to 24 V.S.A. § 138.
3 This Fund shall be managed by the Commissioner of Taxes pursuant to chapter
4 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title,
5 all interest earned on the Fund shall be retained in the Fund for use in meeting
6 future obligations. The Fund shall be exclusively for payments required under
7 ~~chapter 123~~, subchapters 4 and 4C of this ~~title~~ chapter, and for any additional
8 State payments in lieu of taxes for correctional facilities, and as provided in
9 subsection (c) of this section. The Commissioner of Finance and Management
10 may draw warrants for disbursements from this Fund in anticipation of
11 receipts.

12 * * *

13 (c) If the local option tax revenues deposited in the PILOT Special Fund
14 pursuant to 24 V.S.A. § 138 in any State fiscal year exceed the full amount of
15 all payments made under subchapters 4 and 4C of this chapter plus any
16 amounts appropriated from the PILOT Special Fund to the Department of
17 Taxes for expenses related to grand list and appraisal assistance, one-half of
18 the excess amount shall be transferred to the Transportation Fund in the next
19 fiscal year and allocated to general State aid for town highways as provided
20 pursuant to 19 V.S.A. § 306(a).

1 Sec. 15. 19 V.S.A. § 306 is amended to read:

2 § 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

3 (a) General State aid to town highways.

4 * * *

5 (4)(A) In addition to the amounts appropriated pursuant to subdivision
6 (1) of this subsection (a), amounts transferred to the Transportation Fund from
7 the PILOT Special Fund pursuant to 32 V.S.A. § 3709(c) shall be appropriated
8 for class 1, 2, and 3 town highways and shall be apportioned, distributed, and
9 used in the same manner as provided pursuant to subdivision (3) of this
10 subsection (a).

11 (B) Amounts appropriated pursuant to this subdivision (4) shall not
12 decrease the amount appropriated pursuant to subdivision (1) of this subsection
13 (a) or be subject to the annual inflationary adjustment provided for in
14 subdivisions (1) and (2) of this subsection (a).

15 * * *

16 * * * Drive Electric Vermont * * *

17 Sec. 16. DRIVE ELECTRIC VERMONT; APPROPRIATION

18 In State fiscal year 2027, the sum of \$192,000.00 is appropriated from the
19 Transportation Fund to the Agency of Transportation to support the
20 continuation of the Agency's partnership with Drive Electric Vermont. The

1 monies shall be used for programs and activities that support increased
2 ownership and use of plug-in electric vehicles in the State through:
3 (1) stakeholder coordination;
4 (2) consumer education and outreach;
5 (3) infrastructure development; and
6 (4) the provision of technical assistance and support to Vermont
7 municipalities and Vermont businesses desiring to electrify their vehicle fleets.

8 * * * Caledonia County State Airport * * *

9 **Sec. 17.** 2023 Acts and Resolves No. 62, Sec. 8 is amended to read:

10 Sec. 8. SALE OR LEASE OF CALEDONIA COUNTY STATE
11 AIRPORT

12 (a)(1) The Agency of Transportation is authorized to issue a request for
13 proposals for the purchase or lease of the Caledonia County State Airport,
14 located in the Town of Lyndon, and the Agency shall consult with the Town of
15 Lyndon on any requests for proposals related to the purchase or lease of the
16 Airport prior to the issuance of any requests for proposals related to the
17 purchase or lease of the Airport.

18 (2) The request for proposal shall include a request for a business plan,
19 which shall, at a minimum, include the prospective purchaser's or lessor's
20 plans for investments in the Airport and the surrounding communities and may

1 include plans for partnerships with secondary and post-secondary institutions
2 in the surrounding communities.

3 (b) Subject to obtaining any necessary approvals from the U.S. Federal
4 Aviation Administration, the Vermont Secretary of Transportation, as agent for
5 the State, is authorized to convey the Airport property by warranty deed
6 according to the terms of a purchase and sale agreement or through a long-term
7 lease.

8 (c) Any such conveyance shall:

9 (1) include assignment of the State's interest in easements, leases,
10 licenses, and other agreements pertaining to the Airport and the acceptance of
11 the State's obligations under such easements, leases, licenses, and other
12 agreements that requires, at a minimum, that any leases and terms of leases that
13 are in effect at the time of the conveyance of the Airport are fully honored for
14 the balance of the lease term;

15 (2) ensure that there are investments in the Airport to address current
16 deficiencies and necessary repairs;

17 (3) ensure that the Airport continues to be a public-use airport and that
18 the public continues to have access to the Airport for general aviation uses in
19 perpetuity;

1 ~~(4) ensure that the Airport continues to be identified as a public-use~~
2 ~~airport within the National Plan of Integrated Airport Systems until at least~~
3 ~~2050, subject to federal determination;~~

4 ~~(5)~~ include, if the Airport is conveyed through a purchase and sale
5 agreement, a six-month right of first refusal, running from the date that the
6 owner of the Airport provides notice to the State of an intent to sell the Airport,
7 for the State to repurchase the Airport at fair market value before the Airport is
8 resold or transferred to a new owner; and

9 ~~(6)~~(5) include, if the Airport is leased, that the lease cannot be either
10 assigned or the lessor cannot sub-lease all or substantially all of the Airport
11 without the written approval of the Vermont Secretary of Transportation.

12 (d) The Agency shall not proceed with a sale or lease of the Airport unless:

13 (1) there is a fair market value offer, as required under 19 V.S.A.
14 § 10k(b) or 26a(a), that meets the requirements of subsection (c) of this
15 section; and

16 (2) the Town of Lyndon is given the opportunity to review and comment
17 on the final purchase and sale agreement or lease as applicable.

18 (e) This section shall constitute specific prior approval, including of any
19 sale or lease terms, by the General Assembly for purposes of 5 V.S.A. § 204.

1 **Sec. 18.** 2023 Acts and Resolves No. 62, Sec. 9 is amended to read:

2 Sec. 9. REPEAL OF AUTHORITY FOR SALE OR LEASE OF
3 CALEDONIA COUNTY STATE AIRPORT

4 Sec. 8 of this act shall be repealed on ~~May 1, 2026~~ November 1, 2027.

5 * * * Mileage Based User Fee * * *

6 **Sec. 19.** 23 V.S.A. chapter 43 is added to read:

7 CHAPTER 43. MILEAGE-BASED USER FEE

8 § 4301. PURPOSE

9 The purpose of this chapter is to impose a mileage-based user fee for battery
10 electric vehicle pleasure cars to ensure that battery electric vehicles contribute
11 to the Transportation Fund in an amount that reflects the annual miles traveled
12 by each vehicle.

13 § 4302. DEFINITIONS

14 As used in this chapter:

15 (1) “Account manager” means a person that the Agency of
16 Transportation or Department of Motor Vehicles contracts with to administer
17 and manage the mileage-based user fee.

18 (2) “Annual vehicle miles traveled” means the total number of miles that
19 a BEV is driven during the mileage reporting period.

20 (3) “BEV” means a battery electric vehicle pleasure car.

1 (4) “Mileage-based user fee” means the fee charged for the annual
2 vehicle miles traveled by a BEV pursuant to section 4303 of this chapter.

3 (5) “Mileage-based user fee rate” means the per-mile usage fee charged
4 to the owner or lessee of a BEV pursuant to section 4303 of this chapter.

5 (6) “Mileage reporting period” means:

6 (A) the time period between annual inspections; or

7 (B) the time period between the most recent annual inspection and a
8 terminating event.

9 (7) “Terminating event” means any of the following:

10 (A) the registering of a BEV that had been registered in Vermont in a
11 different state;

12 (B) a change in ownership or lesseeship of a BEV; or

13 (C) the termination of a BEV’s registration.

14 § 4303. MILEAGE-BASED USER FEE; ASSESSMENT; CALCULATION;
15 PAYMENT; EXEMPTIONS

16 (a) Annual mileage-based user fee.

17 (1) Except as otherwise provided pursuant to subsections (b) and (c) of
18 this section, the Commissioner shall, for each BEV registered in Vermont,
19 calculate pursuant to subsection (d) of this section a mileage-based user fee
20 within 14 days after the conclusion of the BEV’s mileage reporting period.

1 (2) As soon as practicable after calculating the amount of the mileage-
2 based user fee due for a BEV, the Commissioner shall mail to the registered
3 owner or lessee of the BEV a statement of the amount of the mileage-based
4 user fee assessed pursuant to this section.

5 (3) Not more than 45 days after a mileage-based user fee assessment is
6 mailed pursuant to subsection (a) of this section, the owner or lessee of the
7 BEV shall:

8 (A) remit the full amount of the mileage-based user fee to the
9 Commissioner; or

10 (B) enter into an agreement with the Commissioner to pay the
11 amount of the mileage-based user fee in quarterly or monthly installments.

12 (b) Pay-as-you-go option.

13 (1) The Commissioner may, in the Commissioner's sole discretion,
14 establish a pay-as-you-go mileage-based user fee program that BEV owners
15 and lessees may opt into in lieu of paying an annual mileage-based user fee
16 pursuant to subsection (a) of this section.

17 (2) Owners and lessees that opt into the pay-as-you-go mileage-based
18 user fee program shall report the mileage shown on the odometer of the owner
19 or lessee's BEV at times and in a manner required by the Commissioner.

20 (3) As soon as practicable after receiving the report, the Commissioner
21 shall calculate pursuant to subsection (d) of this section the applicable mileage-

1 based user fee due for the BEV and mail to the registered owner or lessee of
2 the BEV a statement of the amount of the mileage-based user fee assessed.

3 (4) The owner or lessee of the BEV shall remit the full amount due to
4 the Commissioner within not more than 30 days after the assessment is mailed.

5 (5)(A) At the conclusion of each mileage reporting period for a BEV
6 enrolled in the pay-as-you-go mileage-based user fee program, the
7 Commissioner shall determine if the actual miles traveled by the BEV during
8 the mileage reporting period were greater than or less than the miles reported
9 by the owner or lessee during that period.

10 (B) If the actual mileage was less than the amount reported, the
11 owner or lessee of the BEV shall receive a credit equal to the difference
12 between the mileage reported and the actual miles traveled multiplied by the
13 rate established pursuant to subsection (e) of this section. The credit shall be
14 applied to reduce the next amount due from the owner or lessee pursuant to
15 subdivision (3) of this subsection (b).

16 (C) If the actual mileage was greater, the owner or lessee of the BEV
17 shall be assessed an amount equal to the difference between actual miles
18 traveled and the mileage reported multiplied by the rate established pursuant to
19 subsection (e) of this section. That amount shall be added to the next amount
20 due from the owner or lessee pursuant to subdivision (3) of this subsection (b).

1 (c) Mileage-based user fee for newly registered vehicles.

2 (1) The owner or lessee of a BEV that is being registered in Vermont for
3 the first time may elect to opt into the pay-as-you-go mileage-based user fee
4 program established pursuant to subsection (b) of this section, provided the
5 Commissioner has made the program available to owners and lessees of BEVs.

6 (2)(A) The owner or lessee of a BEV that is being registered in Vermont
7 for the first time who does not opt into the pay-as-you-go mileage-based user
8 fee program as provided in subdivision (1) of this subsection (c) shall be
9 assessed upon registration of the BEV an estimated mileage-based user fee
10 equal to the rate established pursuant to subsection (e) of this section
11 multiplied by the average annual vehicle miles traveled by pleasure cars
12 registered in Vermont.

13 (B) The fee shall be paid as provided pursuant to subdivision (a)(3)
14 of this section.

15 (C)(i) Upon completion of the first mileage reporting period for the
16 BEV, the Commissioner shall determine if the actual miles traveled by the
17 BEV during the mileage reporting period were greater than or less than the
18 mileage that the fee assessed pursuant to subdivision (A) of this subdivision
19 (c)(2) was based on.

20 (ii) If the actual mileage was less, the owner or lessee of the BEV
21 shall receive a credit equal to the difference between the mileage that the fee

1 assessed pursuant to subdivision (A) of this subdivision (c)(2) was based on
2 and the actual miles traveled multiplied by the rate established pursuant to
3 subsection (e) of this section. The credit shall be applied to reduce the amount
4 of the next mileage-based user fee for the BEV that is assessed pursuant to
5 subsection (a) or (b) of this section.

6 (iii) If the actual mileage was greater, the owner or lessee of the
7 BEV shall be assessed an amount equal to the difference between actual miles
8 traveled and the mileage that the fee assessed pursuant to subdivision (A) of
9 this subdivision (c)(2) was based on multiplied by the rate established pursuant
10 to subsection (e) of this section. That amount shall be added to the amount of
11 the next mileage-based user fee assessed for the BEV pursuant to subsection
12 (a) or (b) of this section.

13 (d) Calculation of the mileage-based user fee. The Commissioner shall
14 calculate the mileage-based user fee of each BEV by multiplying the miles
15 traveled by the BEV during the applicable period by the rate established
16 pursuant to subsection (e) of this section. The number of miles traveled shall
17 be equal to:

18 (1) for a mileage reporting period, the difference between the mileage
19 shown on the BEV's odometer at the end of the mileage reporting period and
20 the mileage shown on the BEV's odometer at the beginning of the mileage
21 reporting period; and

1 (2) for a report filed by an owner or lessee as part of the pay-as-you-go
2 mileage-based user fee program pursuant to subsection (b) of this section, the
3 difference between the mileage reported by the owner or lessee and the most
4 recent prior mileage reported for the BEV.

5 (e) Mileage-based user fee rate. For mileage reporting periods
6 commencing in calendar year 2027, the mileage-based user fee rate shall be
7 \$0.014 per mile traveled by a BEV during its mileage reporting period.

8 (f) Exemptions. The mileage-based user fee assessed pursuant to this
9 section shall not apply to BEVs owned or operated by the Government of the
10 United States.

11 (g) Fee in addition to other fees and taxes. A mileage-based user fee
12 assessed pursuant to this section shall be in addition to any other fees and taxes
13 imposed by this title.

14 (h) Review of amount assessed. A person may, within 15 days after an
15 assessment pursuant to subsections (a), (b), and (c) of this section, appeal the
16 amount of the assessment to the Commissioner. The Commissioner shall
17 establish procedures for filing and hearing appeals pursuant to this subsection
18 that are consistent with the provisions of sections 105–107 of this title. The
19 procedures shall include a process by which an appellant can resolve the
20 dispute prior to the issuance of a final administrative decision on the appeal.

1 (i) Refunds. Upon occurrence of a terminating event, the Commissioner
2 shall issue a refund to the owner or lessee of a BEV for any amounts paid by
3 the owner or lessee that are in excess of the amount due pursuant to this
4 chapter.

5 § 4304. REPORTS

6 (a) Upon completion of an inspection of a BEV pursuant to section 1222 of
7 this title, an inspection mechanic shall report the mileage shown on the BEV's
8 odometer to the Department in the manner required by the Commissioner.

9 (b) Upon the occurrence of a terminating event, the owner or lessee of a
10 BEV shall report the mileage shown on the BEV's odometer at the time of the
11 terminating event to the Department in the time and manner required by the
12 Commissioner.

13 § 4305. FAILURE TO PAY FEE WHEN DUE; INTEREST

14 (a) Any person who fails to pay the mileage-based user fee when due shall
15 owe, in addition to the mileage-based user fee, interest calculated at one and
16 one-half percent per month on the amount of the mileage-based user fee that
17 remains unpaid. The maximum amount of interest that may accrue pursuant to
18 this subsection shall not exceed 18 percent of the amount of the unpaid fee.

19 (b) The Commissioner may waive some or all of the interest and penalties
20 required pursuant to subsection (a) of this section if the Commissioner
21 determines that the delay in payment was due to excusable neglect.

1 § 4306. FAILURE TO FILE REPORT; PENALTY RATE

2 If the Commissioner is unable to determine the annual vehicle miles
3 traveled for a BEV because a person failed to file a report required by section
4 4304 of this chapter or failed to have the BEV inspected as required pursuant
5 to section 1222 of this title within a reasonable period of time after the report
6 or inspection is due, the Commissioner shall calculate the mileage-based user
7 fee for the BEV based on the 98th percentile of the miles traveled by BEVs
8 registered in Vermont during mileage reporting periods ending in the
9 preceding calendar year.

10 § 4307. REGISTRATION; SUSPENSION OR REFUSAL

11 (a) Suspension of registration. The Commissioner may suspend or refuse
12 to renew the registration of a BEV if the Commissioner determines, following
13 notice and an opportunity for a hearing as provided pursuant to subsection (b)
14 of this section, that the owner or lessee of the BEV:

15 (1) failed to file a report required pursuant to section 4304 of this
16 chapter;

17 (2) filed a report containing an intentional misrepresentation,
18 misstatement, or omission of material information required by this chapter; or

19 (3) is delinquent at the time of renewal in the payment amount due
20 pursuant to the provisions of this chapter.

1 (b) Notice and opportunity for hearing. The Commissioner shall provide
2 the owner or lessee of a BEV with not less than 15 days' notice of the intent to
3 suspend or not to renew the registration of the BEV pursuant to the provisions
4 of this section. The owner or lessee shall be provided with the opportunity for
5 a hearing and shall be permitted to be represented by counsel at the hearing.

6 § 4308. POWERS OF THE COMMISSIONER

7 (a) General authority. The Commissioner shall have the authority to
8 administer and enforce the provisions of this chapter.

9 (b) Additional powers. In addition to any powers or authority specifically
10 granted to the Commissioner pursuant to the provisions of this chapter, the
11 Commissioner may do the following:

12 (1) Adopt rules pursuant to 3 V.S.A. chapter 25 as the Commissioner
13 determines necessary to administer and enforce the provisions of this chapter.

14 (2) Prescribe forms appropriate to the purposes of this chapter.

15 (3) Contract with an account manager to administer and manage the
16 mileage-based user fee.

17 (4) With the approval of the Governor and Secretary, enter into
18 agreements with other states, the District of Columbia, and Canadian
19 provinces, providing for the reciprocal enforcement of mileage-based user fee
20 or tax laws imposed by the jurisdictions entering into such an agreement,
21 which agreement may empower a duly authorized officer of any contracting

1 jurisdiction that extends such authority to officers or employees of this State, to
2 sue for the collection of that state's or province's mileage-based user fee or
3 taxes in the courts of this State.

4 (5) Hold hearings, cause depositions to be taken, administer oaths, and
5 examine under oath any person relating to any matter under this chapter.

6 (6) Compel the attendance of witnesses and order the production of any
7 relevant books, records, papers, accounts, or other documents of any person the
8 Commissioner has reason to believe is liable for the payment of a mileage-
9 based user fee or of any person believed to have information pertinent to any
10 matter under investigation by the Commissioner at any hearing held under this
11 chapter. The fees for travel and attendance of witnesses summoned or used by
12 the Commissioner and fees for officers shall be the same as for witnesses and
13 officers before a court and shall be paid by the State upon presentation of
14 proper bills of cost to the Commissioner of Finance and Management, but no
15 fees or expenses shall be payable to a witness charged with liability for
16 reporting or paying a mileage-based user fee.

17 (c) Examinations under oath. Any examination under oath conducted by
18 the Commissioner may, at the Commissioner's discretion, be reduced to
19 writing, and intentional false testimony shall be deemed perjury and be
20 punishable as such.

§ 4309. JUDICIAL REVIEW

(b) Exclusivity of remedy. The appeal provided by this section shall be the exclusive remedy available to any person for review of a final decision of the Commissioner under this chapter.

§ 361. PLEASURE CARS

* * *

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1 title, equal to one-half the amount of the annual fee collected in subsection (a)
2 of this section, or a biennial ~~EV~~ infrastructure fee equal to the annual fee
3 collected in subsection (a) of this section.

4 (d) The annual and biennial ~~EV~~ infrastructure fees collected in subsection
5 (c) of this section shall be ~~allocated to~~ deposited in the Transportation Fund ~~for~~
6 ~~programs administered by the Agency of Commerce and Community~~
7 ~~Development to increase Vermonters' access to level 1 and 2 electric vehicle~~
8 ~~supply equipment (EVSE) charging ports at workplaces or multiunit dwellings,~~
9 ~~or both.~~

10 **Sec. 21.** MILEAGE-BASED USER FEE; TRANSITION

11 BEV pleasure cars that are registered in Vermont on December 31, 2026,
12 shall transition to the mileage-based user fee established pursuant to 23 V.S.A.
13 chapter 43 as follows:

14 (1) The initial mileage reporting period for each BEV shall commence
15 on its first annual inspection occurring on or after January 1, 2027.

16 (2) The BEV shall receive a credit equal to \$89.00 towards the amount
17 of the mileage-based user fee due pursuant to 23 V.S.A. § 4303 for the initial
18 mileage reporting period.

1 Sec. 22. ALLOCATION OF FISCAL YEAR 2027 MILEAGE-BASED USER
2 FEE REVENUES

3 All net revenues generated by the Mileage-Based User Fee in State Fiscal
4 Year 2027 shall be allocated to the appropriation for general State aid to town
5 highways pursuant to 19 V.S.A. § 306(a) in State fiscal year 2028. The
6 amounts allocated pursuant to this section shall be in addition to any amounts
7 appropriated pursuant to the requirements of 19 V.S.A. § 306(a).

8 * * * Effective Dates * * *

9 Sec. 23. EFFECTIVE DATES

10 (a) Secs. 19 (mileage-based user fee), 20 (infrastructure fee for PHEVs),
11 and 21 (transition to mileage-based user fee) shall take effect on January 1,
12 2027.

13 (b) The remaining sections of this act shall take effect on July 1, 2026.